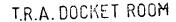
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Paul T Diskin Manager Rates & Regulation

December 9, 2004

Timothy C Phillips Senior Counsel Office of the Tennessee Attorney General 425 Fifth Avenue North Nashville, TN 37202-0207

RE: Interrogatories and Requests for Production of Documents by the Attorney General (Second Set) To Tennessee-American Water Company Rate Case No. 04-00288

Dear Mr Phillips

Enclosed are 3 copies of original response to Question 50 in regards to the above Interrogatories for Tennessee American's petition to increase rates which was filed on September 10, 2004. This response was electronically sent on December 6, 2004 with this hard copy to follow

Sincerely,

Paul T. Diskin

Enclosures

cc M Miller/w enclosure

D. Grimes w/enclosure

S Dillon w/enclosure

R Nelson w/enclosure

H. Walker w/enclosure

Pennsylvania American Water

800 West Hersheypark Drive Hershey, PA 17033 T 717 531 3253 F 717-531-3235

I www pawc com



Interrogatories and Requests for Production Of Documents by the Attorney General (Second Set) To Tennessee-American Water Company Rate Case No. 04-00288

- 50. Q. PLEASE PROVIDE A NARRATIVE OF PLANT ADDITIONS TOTALING \$1,182,573 FOR COMPUTER & PERIPHERAL EQUIPMENT, AND PERSONAL ACCOUNTS 340.53 AND 340.56 DETAILED ON "COMPANY WORKPAPERS" EXHIBIT NO.1, SCHEDULE 2 PAGE 3 OF 3 INCLUDING.
 - a. WHAT IS BEING PURCHASED; I.E., TYPE OF HARDWARE/SOFTWARE
 - b NEED FOR EQUIPMENT, (TO IMPROVE PRODUCTIVITY, REPLACEMENT OF OUTDATED EQUIPMENT, ETC.)
 - c. DEPARTMENT(S) UTILIZING HARDWARE/SOFTWARE:
 - d. IF COST IS ALLOCATED, PLEASE PROVIDE WORKPAPERS FOR ASSIGNING ALLOCATION, AND
 - e. PROVIDE ESTIMATED COST SAVINGS ASSOCIATED WITH EACH PLANT ADDITION.

RESPONSE:

- A Portable computers (Toughbooks) utilized by field personnel along with the new software is being purchased.
- B. The objective is to provide efficiencies and improve productivity.
- C. The hardware will be located in the service personnel vehicles and software will be housed at the Data Center located in Hershey, PA.
- D. The costs for the portable computers will be the actual cost for those computers used in the Tennessee American operations. The software is being spread amongst the entire American Water system and will be allocated based upon number of customers. Tennessee American currently has approximately 3% of the customers in the American Water system.
- E. Efficiencies will be generated through these plant additions, but there is no quantifiable cost savings at this point in time